

QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED MARCH 31, 2001

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

BALANCE SHEETS

AS OF MARCH 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

5/16/01

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 19,278	\$ 18,121
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2001, \$17,144 ; 2000, \$16,466).....	17,469	17,532
4	Inventories.....	3,204	2,707
5	Prepaid Expenses and Other Current Assets.....	12,003	11,005
6	Total Current Assets.....	51,954	49,365
7	Investments, Advances, and Receivables..... (Note 4,5).....	22,059	91,867
8	Property and Equipment - Gross..... (Note 2).....	727,198	726,615
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(195,588)	(185,050)
10	Property and Equipment - Net..... (Note 2).....	531,610	541,565
11	Other Assets.....	18,086	14,335
12	Total Assets.....	\$ 623,709	\$ 697,132
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,651	\$ 7,740
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	525	2,545
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	19,600	19,852
19	Other Current Liabilities.....	5,774	4,263
20	Total Current Liabilities.....	31,550	34,400
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,5).....	448,041	283,041
22	Other..... (Note 3).....	904	2,167
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	16,043	3,834
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	496,538	323,442
27	Stockholder's, Partners', or Proprietor's Equity.....	127,171	373,690
28	Total Liabilities and Equity.....	\$ 623,709	\$ 697,132

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 96,776	\$ 100,310
2	Rooms.....	10,316	10,099
3	Food and Beverage.....	12,053	13,023
4	Other.....	2,932	3,123
5	Total Revenue.....	122,077	126,555
6	Less: Promotional Allowances.....	14,274	15,917
7	Net Revenue.....	107,803	110,638
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	60,432	59,102
9	Selling, General, and Administrative.. (Note 5).....	22,772	26,371
10	Provision for Doubtful Accounts.....	616	866
11	Total Costs and Expenses.....	83,820	86,339
12	Gross Operating Profit.....	23,983	24,299
13	Depreciation and Amortization.....	6,263	6,211
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	9,441	9,267
15	Other.....	0	0
16	Income (Loss) from Operations.....	8,279	8,821
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,188)	(8,491)
18	Interest (Expense) - External..... (Note 3).....	(34)	(313)
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(330)	(431)
20	Nonoperating Income (Expense) - Net	(832)	(811)
21	Total Other Income (Expenses).....	(14,384)	(10,046)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(6,105)	(1,225)
23	Provision (Credit) for Income Taxes... ..	(3,747)	(315)
24	Income (Loss) Before Extraordinary Items.....	(2,358)	(910)
25	Extraordinary Items (Net of Income Taxes - 2001, \$0 ; 2000, \$0)	0	0
26	Net Income (Loss).....	\$ (2,358)	\$ (910)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE THREE MONTHS ENDED MARCH 31, 2001

(UNAUDITED)
(\$ IN THOUSAND)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999	100	\$ 1	0	\$ 0	\$ 325,390	\$ 0	\$ 49,209	\$ 374,600
2	Net Income (Loss) - 2000							5,929	5,929
3	Contribution to Paid-in-Capital								
4	Dividends (Note 7)					(198,319)		(52,681)	(251,000)
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 2000	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 2,457	\$ 129,529
11	Net Income (Loss) - 2001							(2,358)	(2,358)
12	Contribution to Paid-in -Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, March 31, 2001	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 99	\$ 127,171

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 5,702	\$ 9,171
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(5,918)	(1,803)
5	Proceeds from Disposition of Property and Equipment.....	7	0
6	Purchase of Casino Reinvestment Obligations.....	(1,225)	(1,271)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	401	(11,472)
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(6,735)	(14,546)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....	0	0
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(357)	(488)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(357)	(488)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,390)	(5,863)
25	Cash and Cash Equivalents at Beginning of Period.....	20,668	23,984
26	Cash and Cash Equivalents at End of Period.....	\$ 19,278	\$ 18,121

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 33	\$ 312
28	Income Taxes.....	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (2,358)	\$ (910)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	6,181	6,129
31	Amortization of Other Assets.....	82	82
32	Amortization of Debt Discount or Premium.....		
33	Deferred Income Taxes - Current.....		
34	Deferred Income Taxes - Noncurrent.....	(3,747)	(315)
35	(Gain) Loss on Disposition of Property and Equipment.....	(7)	0
36	(Gain) Loss on Casino Reinvestment Obligations.....	288	431
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	(371)	257
39	Net (Increase) Decrease in Inventories.....	114	453
40	Net (Increase) Decrease in Other Current Assets.....	(129)	312
41	Net (Increase) Decrease in Other Assets.....	86	48
42	Net Increase (Decrease) in Accounts Payable.....	(2,367)	305
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	561	1,168
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	7,369	1,211
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 5,702	\$ 9,171

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (5,918)	\$ (1,803)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (5,918)	\$ (1,803)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

Capital Lease Obligations of \$0 and \$0 were incurred for 2001 and 2000, respectively:
Capital lease obligation retirements of \$0 and \$0 were incurred for 2001 and 2000, respectively.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

Amended

11/15/02

revised 9/30/02

FOR THE THREE MONTHS ENDED MARCH 31, 2001

(b)	Promotional Allowances		Promotional Expenses	
	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
Rooms	86,771	\$ 6,053	0	\$ 0
Food	537,798	5,271	4,384	43
Beverage	1,655,028	1,967	0	0
Travel	0	0	3,585	1,255
Bus Program Cash	173,329	3,227	0	0
Other Cash Complimentaries	243,832	4,961	0	0
Entertainment	19,786	41	6,191	124
Retail & Non-Cash Gifts	0	0	0	0
Parking	0	0	0	0
Other	165,770	942	91,483	326
Total	2,882,314	\$ 22,462	105,643	\$ 1,748

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2000.

The specific footnotes not presented are the Summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 2000 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At March 31, 2001 and 2000, the components of Property and Equipment consisted of:

	<u>2001</u>	<u>2000</u>
Land and land improvements	\$ 51,237,000	\$ 51,083,000
Building and improvements	552,803,000	550,965,000
Furniture, fixtures and equipment	112,140,000	112,856,000
Leased personal property	5,113,000	9,399,000
Construction in progress	<u>5,905,000</u>	<u>2,312,000</u>
Total property and equipment-gross	727,198,000	726,615,000
Accumulated depreciation	<u>(195,588,000)</u>	<u>(185,050,000)</u>
Total property and equipment	\$ 531,610,000	\$ 541,565,000
	=====	=====

NOTE 3. LONG-TERM DEBT

At March 31, 2001 and 2000, Long-Term Debt consisted of:

Due to Affiliates:	<u>2001</u>	<u>2000</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	\$ 448,041,000	\$ 283,041,000
Long-term debt due to affiliates	448,041,000	283,041,000
Obligations under capital leases	<u>1,429,000</u>	<u>4,712,000</u>
Total Affiliates and Other	449,470,000	287,753,000
Less: current portion	<u>(525,000)</u>	<u>(2,545,000)</u>
Total long-term debt	\$ 448,945,000	\$ 285,208,000
	=====	=====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004 (See Note 5. Related Parties). On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 14 to 47 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2001 and 2000, respectively, was \$1,225,000 and \$1,271,000 for the purchase of CRDA bonds. The Company recorded a loss provision for 2001 and 2000 of \$288,000 and \$431,000, respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on March 31, 2001.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this

project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of March 31, 2001, the Company received approximately \$21,760,000 in funding from the CRDA under this agreement and had approximately \$230,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended March 31, 2001 and 2000, Aztar charged the Company a management fee of \$9,441,000 and \$9,267,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at March 31, 2001 and 2000 are:

	<u>2001</u>	<u>2000</u>
Due to Aztar Corporation	\$ 11,537,000	\$ -
Due to Ramada New Jersey, Inc.	69,000	854,000
Due to Adamar Garage Corporation	4,339,000	2,531,000
Due to Atlantic Deauville, Inc.	60,000	449,000
Due to Tropicana West	<u>38,000</u>	<u>-</u>
	\$ 16,043,000	\$ 3,834,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at March 31, 2001 and 2000 are:

	<u>2001</u>	<u>2000</u>
Due from Aztar Corporation	\$ -	\$ 71,293,000
Advances to Tropicana West	<u>-</u>	<u>203,000</u>
	\$ -	\$ 71,496,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at March 31, 2001 and 2000 are:

<u>PAYEE</u>	<u>2001</u>	<u>2000</u>
--------------	-------------	-------------

On June 1, 2000, the Company borrowed \$192,000,000 from Azstar which is evidenced by a 12% interest bearing note due 2004. The Company also received payment from Azstar of \$59,000,000 which was applied against the net intercompany receivable. The Company then paid a dividend to Ramada New Jersey Holdings Corporation to the extent of Retained Earnings at June 1, 2000, of \$52,681,000 and a return of capital of \$198,319,000 for a total of \$251,000,000. On September 27, 2000, the Company paid \$27,000,000 to Azstar reducing the \$192,000,000 note to \$165,000,000.

For the three months ended March 31, 2001 and 2000 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2001</u>	<u>2000</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 1,000	\$ 2,000
Property insurance	<u>161,000</u>	<u>155,000</u>
	<u>162,000</u>	<u>157,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	92,000	72,000
Executive deferred compensation plan	6,000	7,000
Claims	2,000	14,000
Professional services	<u>6,000</u>	<u>10,000</u>
	<u>106,000</u>	<u>103,000</u>
Total	\$ 268,000 =====	\$ 260,000 =====

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF :
: SS.
COUNTY OF :

LISA S. REILLY, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Lisa S. Reilly
Signature

CONTROLLER

Title

005939-11

License Number

On Behalf of:

TROPICANA CASINO & RESORT
Casino Licensee

Subscribed and sworn to
before me this 4th day
of May, 2001
Joanne Martilini
JOANNE MARTILINI
Notary Public State of New Jersey
My Commission Expires May 18, 2004

Basis of Authority
to Take Oaths